Asking a question
Local Government Update
June 24, 2021
Ohio Connect$ Webinar Series
Housekeeping Items

- To ask questions, use the “Ask a question” option on the right side of your screen.
- Time limitations may prevent all submitted questions from being answered, but we will answer as many as possible.
- Submit additional questions to grants@obm.ohio.gov.
- Technical issues? Try leaving the event then returning to it. That solves most technical issues.
- Thank you for attending. Be sure to visit grants.ohio.gov and sign up for our newsletter.
Opening Remarks
Director Kim Murnieks
American Rescue Plan Act (ARPA)
State and Local Fiscal Recovery Fund

Stacie Massey, MBA
Senior Financial Manager
State and Local Fiscal Recovery Fund
State and Local Fiscal Recovery Fund – Allocations and Where to Find Information

Allocations for:

• Counties (Direct from U.S. Treasury)
• Metropolitan cities (Direct from U.S. Treasury)
  • Municipalities with populations of at least 50,000, using a modified Community Development Block Grant formula
• Non-entitlement units of local government (NEUs) (Passed through the State)
  • Municipalities with populations of less than 50,000 based on each jurisdiction's percentage of the state's population
• State

Allocations (except non-entitlement units), non-entitlement unit information, interim final rule, fact sheet, FAQs, compliance and reporting guidance, and quick reference guide are published on the U.S. Treasury website:

NEU Funding Distribution
OBM will require eligible NEUs to register for funding in order to meet the Treasury requirements. This process will begin once SB 111 is enacted.

Registration will be open for 60 days and can be found at [https://grants.ohio.gov/fundingopportunities.aspx](https://grants.ohio.gov/fundingopportunities.aspx) under American Rescue Plan Act Coronavirus Local Recovery Fund – Non-Entitlement Units of Local Government.

As part of the distribution process, OBM is required to:

- Validate that an NEU is not excluded or disqualified on SAM.gov;
- Capture organizational information to include the DUNS number, Entity’s Taxpayer Identification Number, contact information, and payment details;
- Obtain budget information to ensure the allocation does not exceed 75 percent of the total annual operating budget as of January 27, 2020;
- Gather signed award terms and conditions agreement (provided from Treasury); and
- Gather a signed assurance of compliance with Title VI of the Civil Rights Act of 1964 (provided by Treasury).

The required documents to be signed, a general information document with FAQs, and a job aid will be attached to the funding opportunity.
After visiting https://grants.ohio.gov/fundingopportunities.aspx, select the button to access active Funding Opportunities.
After visiting [https://grants.ohio.gov/fundingopportunities.aspx](https://grants.ohio.gov/fundingopportunities.aspx) locate the funding opportunity American Rescue Plan Act - Coronavirus Local Fiscal Recovery Funds for Ohio Non-Entitlement Units of Local Government and click the hyperlink (as highlighted in the picture below).
View the opportunity details and save any attachments. Since registrations must be completed in one sitting it may be helpful to gather the information ahead of time and download any required documents. When you are ready, select the **Register for this Funding Opportunity** button:

**Attachments**

**Funding Opportunity Documentation (3)**

- NEU_Award_Terms_and_Conditions (pdf) 06/07/2021
- NEU_Checklist_for_ Requesting Initial Payment (pdf) 06/08/2021
- Title VI Assurances (pdf) 06/07/2021

[Register for this Funding Opportunity]
Proceed through the registration process, completing all required fields (marked in red and with an asterisk). Ensure all *Required Documents* are printed and signed, then scan these onto your computer so you can upload them.

For this opportunity you must include:
1. NEU_Award_Terms_and_Conditions (signed by Authorized Representative)
2. Title_VI_Assurances (signed by Authorized Official)
Once all required fields have been completed you will be able to submit your application. If the *Form Incomplete* button below appears, there is a required field you still need to complete. Required fields will remain in red until they contain adequate information.

Q: Where is the Submit button?

A: If you do not have a Submit button, you should see a Form Incomplete button instead. Review your application. Any field that contains a red highlight is a required field that has not been completed. In addition, the "I agree" field must be checked on this page. You cannot submit until your application is complete and you agree to the terms.
What information will be needed to complete the registration?

The following must be provided:

• Local government name, address, and valid DUNS number. OBM will not accept registrations without a valid number;
• State OAKS Supplier ID (if known);
• Entity’s Taxpayer Identification Number;
• Authorized Representative (name, title, and email);
• Contact Person (name, title, phone, and email);
• Your local government’s top-line budget total (defined as your local government’s total annual operating budget, including the general fund and other funds, in effect as of January 27, 2020);
• Signed award terms and conditions agreement (as provided by Treasury and attached to the funding opportunity);
• Signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (as provided by Treasury and attached to the funding opportunity)

BE PREPARED FIRST – Once you start a registration you cannot save it and return later, you must start over.
Do I have the ability to save my submission and return back to it to complete later?
No, the OBM grants portal does not require a log-in for applications; therefore, the portal does not provide the ability to save a registration and return to it. NEUs are cautioned to be prepared to complete the entire registration along with the required uploads at the time of submission. Please ensure information is accurately entered as any rejection of a registration will require a new registration to be completed.

Please note – if you have an existing grants portal log-in for CARES expenditure reporting, that information will not correlate to this ARPA opportunity.

Do I need to provide my budget document that supports my reported top-line budget total to OBM?
No, OBM only needs an NEU to provide their top-line budget total. However, the Treasury does require submission of the supporting budget document with the first required report due October 31, 2021.
What is the difference between the Authorized Representative and the Grant Contact?

OBM is collecting information from NEUs based on requirements for the Treasury. The Authorized Representative is the main executive within the NEU that can authorize acceptance of the funds on behalf of the NEU. The Grant Contact should be the main contact person that the Treasury can contact for administrative purposes. This contact should be the one responsible for completing the reporting with the Treasury on behalf of the NEU. NEUs cannot enter the same person for both contacts.
How do I determine my top-line budget total as of January 27, 2020?
The Treasury defines this as your local government’s total annual operating budget, including the general fund and other funds, in effect as of January 27, 2020. NEUs should only include budget for funds that are part of the operating budget.

NEUs that are operating on a temporary budget as of January 27, 2020 need to assess if the temporary budget was based on a small portion of resources for a short period of time and was not all encompassing of annual estimated resources. In aligning with the Treasury guidance of “total annual operating budget,” an NEU may need to look back to the last official “total annual operating budget” which may be the final total annual budget amount as of December 31, 2019.

NEUs will be required to provide documentation of the budget total directly to the Treasury as part of the first required report due to them on October 31, 2021.
What is the process after completing the registration?

Once a registration is approved, the individual listed as a Grant Contact should be monitoring their e-mail. If all the information is correctly entered, validated, and the required signed attachments are uploaded then the registration will be approved for payment processing. An e-mail indicating approval along with the **NEU Recipient Number** will be sent to the Grant Contact. **This recipient number is required for reporting to the Treasury.**

Should an issue arise with a registration, the Grant Contact will get a rejection e-mail with details on the issue. A new registration will be required to be completed if the original one is rejected.
Payments to NEUs

NEUs will get their distribution in two payments. The second payment will be 12 months after the first. Total amounts distributed to an NEU (sum of both payments) may not exceed the amount equal to 75% of the most recent budget as of January 27, 2020. Most recent budget is defined as the most recent annual total operating budget, including general fund and other funds, as of January 27, 2020.

The first tranche will be paid as soon as administratively feasible after registration. NEUs do not have to do anything to receive the second tranche; however, those NEUs that were unresponsive for the first tranche are not eligible for the second tranche.

NEUs that have banking already established with the state will receive payments electronically. NEUs that have not completed this process will receive a check.

If an NEU does not wish to receive the funds, they should not register and should instead contact the Ohio Grants Partnership at grants@obm.ohio.gov.
NEU Reporting
As prime recipients of a Federal award, NEUs are required to report to the Treasury on the use of funds. The first report is due to the Treasury by October 31, 2021.

NEUs will be asked to provide the following during the first reporting to the Treasury:

- NEU Recipient Number (a unique identification code for each NEU provided by OBM in the registration approval e-mail sent to the grant contact);
- Copy of the signed award terms and conditions agreement (provided from the Treasury) that was provided to OBM;
- Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (provided from the Treasury) that was provided to OBM;
- Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding; and
- Financial data on Projects and Expenditures (Award Date – September 30, 2021).
Interim Final Rule, FAQ, and Guidance
Treasury published an Interim Final Rule (31 CFR 35) and FAQ

• 151 pages of rule published to the federal register and an accompanying FAQ

Interim Final Rule is open for comments until July 16 at www.regulations.gov

FAQ provides additional context to the rule and is updated frequently; is found at
https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf

FAQ supplement for NEUs is found at

Compliance Requirements

• The CFDA/Assistance Listing Number is 21.027
• Majority of Uniform Guidance sections apply:
  • Subpart B, General provisions
  • Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
  • Subpart D, Post Federal; Award Requirements
  • Subpart E, Cost Principles
  • Subpart F, Audit Requirements (Single Audit)
• Be aware – Uniform Guidance areas that were not applicable with CRF now apply:
  • Procurement, Suspension and Debarment
  • Equipment and Real Property Management
  • Policies and/or procedures required in Uniform Guidance in the areas of financial management, allowable costs, cash management, procurement, compensation, and travel
Interest Earnings – Different than CRF

10.3. Are recipients required to remit interest earned on CSFRF/CLFRF payments made by Treasury?

No. CSFRF/CLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 to remit interest to Treasury. CSFRF/CLFRF payments made by Treasury to local governments and Tribes are not subject to the requirement of 2 CFR 200.305(b)(8)–(9) to maintain balances in an interest-bearing account and remit payments to Treasury.

Compliance and Reporting Guidance, Cash Management

SLFRF payments made to recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)-(9). As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.
Additional Requirements

- 2 C.F.R. Part 180, OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)
  - Need a log-in to Sam.gov to search excluded parties listing
- 2 C.F.R. Part 25, Universal Identifier and System for Award Management
- 2 C.F.R. Part 170, Reporting Subaward and Executive Compensation Information
- Compliance with the Title VI of the Civil Right Act of 1964
Public Safety and Public Health Personnel Costs – Addressed in FAQs 2.14 and 2.15

Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, including first responders, to the extent that the employee’s time that is dedicated to responding to the COVID-19 public health emergency.

FAQ 2.14 recognizes that the response to COVID-19 has changed and will continue to change – and further suggests that merely charging public safety due to some additional mitigation measures may not meet the requirement now.

FAQ 2.15 defines the staff that are included as “public safety, public health, health care, human services, and similar employees.”
Funds may be used for payroll and covered benefits for public safety, public health, health care, human services, and similar employees to the extent that their services are dedicated to responding to the COVID-19 public health emergency.

Administrative convenience offered for public health and public safety (may consider time entirely devoted) if the employee, or his or her operating unit or division, is primarily dedicated (more than half an employee’s time dedicated) to responding to the COVID-19 public health emergency.

Periodically reassess employee, division, or operating unit is engaged in activities that respond to the COVID-19 public health emergency and maintain records to support the assessment (payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on COVID-19 response). Routinely tracking staff hours is not required. This is a change from CRF’s required level of documentation.
Additional Broadband Infrastructure FAQs (6.8, 6.9, 6.10, and 6.11)

Clarifies projects are required to “be designed to” provide service to unserved or underserved households and businesses but does not need to be the only ones in the service area funded by the project.

Allows for a holistic approach that provides service to a wider area, for example, to make the ongoing service of unserved or underserved households or businesses within the service area economical.

Can fund “middle mile” broadband projects with the focus to be on funding last-mile networks that could or would leverage the middle-mile network.

Defines the requirement to “reliably” meet or exceed a broadband speed threshold providing discretion to the recipient on how to assess the project at meeting, or even exceeding, the speed thresholds in the rule.
FAQ’s Added this Week:

- Demonstrating negative economic impact for household and business assistance
- Investment in outdoor spaces
- Addressing a backlog in court cases
- Assisting business startups
- Preventing and responding to crime and support public safety
- Pre-project development for water/sewer/broadband infrastructure
- Treatment of federal funds in intergovernmental revenue when calculating general revenue for the purpose of identifying revenue loss
- Eviction prevention efforts or housing stability services

The updated document also includes an appendix with a diagram of the Interim Final Rule’s definition of General Revenue within the Census Bureau’s classification structure, and an FAQ focused on how funds can support a holistic approach to public safety.
Fiscal Recovery Key Dates
Payments from the Fiscal Recovery Fund can only be used for costs incurred from March 3, 2021, through December 31, 2024.

The Interim Final Rule defines costs incurred in alignment with the Uniform Guidance and requires funds to be obligated by December 31, 2024.

Use of Fiscal Recovery Funds is generally forward-looking:
• The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

• Recipients are not permitted to use funds to cover pre-award costs (only those on or after March 3, 2021, which were made with the intention of receipt of future ARPA funding).

• The period of performance will run until December 31, 2026.
Costs incurred beginning on March 3, 2021 limitation applies only to costs incurred by the government recipient (i.e., state, local, etc.)

- **Public Health/Negative Economic Impacts**
  - Assistance to households, businesses, etc. can be for economic harms experienced or costs incurred by the individual since the beginning of the pandemic provided the cost of assistance was not incurred by the government recipient prior to March 3, 2021.

- **Premium Pay**
  - May provide premium pay retrospectively for work performed at any time during the start of the public health emergency as long as the obligation to provide such pay was not prior to March 3, 2021.

- **Revenue Loss**
  - Use of funds under general government services covered by revenue loss must be forward-looking for costs incurred by the recipient after March 3, 2021.

- **Investments in Water, Sewer, and Broadband**
  - May use funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided the project costs using the funds were incurred after March 3, 2021.
Other Key Provisions
Funds may not be used to:

- Deposit into any pension fund - does not include the payment to a pension fund as part of covered benefits for eligible personnel charged to the fund

- Contribute to rainy day funds, financial reserves, budget stabilization, or similar funds - revenue reduction funds must be applied to general government services

- Offset a reduction in net tax revenue

- Pay interest or principal on outstanding debt instruments, including short-term revenue or tax anticipation notes, or other debt service costs

- Satisfy a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding

- Serve as non-federal match for other federal grant programs
Transfers of Funds

Funds may be transferred to private nonprofit organizations, public benefit corporations involved in the transportation of passengers or cargo, or special-purpose districts (fire, water, sewer, etc.).

A transfer is still considered a subrecipient relationship – you are still responsible for monitoring and overseeing the subrecipient's use of funds and activities as well as reporting to the Treasury on the subrecipient's use of funds.

Transfers must qualify as an eligible use of funds by the transferor and all federal requirements remain with those funds. The transfer must be to carry out the goals of the original recipient. Transfers must be for entities within the recipient's borders. For example: County A cannot transfer funds to County B; however, County A can transfer funds to Village A in within its borders.

A recipient can transfer funds to the State by providing notice to the U.S. Treasury. The State does not become the subrecipient of the local government.
Reporting Requirements
Reporting has expanded from the CRF requirements and includes three types:

- Interim Report (one time report on status and uses of funding) – not required for NEUs
- Project and Expenditure Report – required for all either quarterly or annually
- Recovery Plan Performance Report – required for States, Metros, and Counties with pop. > 250,000 residents

Non-entitlement local governments (NEUs) will report directly to the Treasury.

Helpful Tip #1 – establish defined projects (by expenditure category) for the use of funds.

Helpful Tip #2 – start planning an approach to track activity to meet the reporting requirements.

✓ How will you track expenditures by category? Or by project?
✓ What report will provide purchase order information on expenditures over $50K (i.e., supplier information, obligation amount, current quarter obligations, related expenditures and dates, etc.)?
✓ Do you have a way to run a report for contracts which provides necessary reporting details (i.e., contract number, contract type, contract amount, period of performance, contract date, primary place of performance address, etc.)?
✓ How will you capture reporting metrics that are required?
<table>
<thead>
<tr>
<th>Report Type</th>
<th>Applies To</th>
<th>Reporting Period</th>
<th>Initial Report Due</th>
<th>Subsequent Reports</th>
<th>Included in Report</th>
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<tbody>
<tr>
<td>Interim Report</td>
<td>State, Metros, Counties &gt;250K</td>
<td>Date of award-July 31, 2021</td>
<td>August 31, 2021</td>
<td>N/A</td>
<td>Summary level expenditures by category</td>
</tr>
<tr>
<td>Quarterly Project and Expenditure Report</td>
<td>State, Metros and Counties that receive &gt;$5M</td>
<td>Calendar Quarter</td>
<td>October 31, 2021</td>
<td>30 days after end of each quarter through project period</td>
<td>Financial data, information on contracts and subawards over $50K, types of projects funded, other information on utilization of funds</td>
</tr>
<tr>
<td>Annual Project and Expenditure Report</td>
<td>NEUs, Metros and Counties with a population &lt;250K and receive &lt;$5M</td>
<td>Annually</td>
<td>October 31, 2021</td>
<td>October 31 each year through project period</td>
<td>Financial data, information on contracts and subawards over $50K, types of projects funded, other information on utilization of funds</td>
</tr>
<tr>
<td>Recovery Plan Performance Report</td>
<td>State, Metros and Counties &gt;250K residents</td>
<td>Annually</td>
<td>August 31, 2021</td>
<td>30 days after each 12-month period</td>
<td>Funded projects, plans for project outcomes to be achieved, key performance indicators, programmatic data. Also, must publish on a public facing site.</td>
</tr>
</tbody>
</table>
Project and Expenditure Reports

**Quarterly Reporting** – State and Metros and Counties that receive more than $5M
- Initial report due October 31, 2021 will cover two calendar quarters (award date to Sept 30)
- Thereafter due 30 calendar days after the end of each calendar quarter

**Annual Reporting** – NEUs and Metros and Counties that receive less than $5M
- Initial report due October 31, 2021 (award date to Sept 30, 2021)
- Each subsequent report due October 31, with final report covering last calendar quarter of 2026 due March 31, 2027
- NEUs will be required to report using the NEU Recipient Number provided to them from OBM upon approval of their registration (Grant Contact will receive e-mail)
Project and Expenditure Reports – Required Information

- **Projects** –
  - Project name;
  - Identification number (created by recipient);
  - Project expenditure category (select expenditure category for entire project);
  - Description; and
  - Status of completion (not started, completed < 50%, completed > 50%, completed)

- Project must provide adequate description of major activities that will occur between 50 and 250 words.

- Define projects based on required programmatic data at a sufficient level of granularity to report metrics for a reasonably specific activity or set of activities in each project.

- Must identify projects targeted to economically disadvantaged communities, as defined by HUD’s Qualified Census Tract (based on those projects tied to specific expenditure categories).

Once a project is entered, expenditures are required to be reported for that project by:

- Current period obligation
- Cumulative obligation
- Current period expenditure
- Cumulative expenditure
Appendix 1: Expenditure Categories

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term “Expenditure Category” refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to at the summary level (e.g., EC 1) it includes all Expenditure Categories within that summary level.

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<tr>
<th>1: Public Health</th>
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<tr>
<td>1.1 COVID-19 Vaccination</td>
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<td>1.2 COVID-19 Testing</td>
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<tr>
<td>1.3 COVID-19 Contact Tracing</td>
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<tr>
<td>1.4 Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)</td>
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<tr>
<td>1.5 Personal Protective Equipment</td>
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<tr>
<td>1.6 Medical Expenses (including Alternative Care Facilities)</td>
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<tr>
<td>1.7 Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency</td>
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<tr>
<td>1.8 Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)</td>
</tr>
<tr>
<td>1.9 Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19</td>
</tr>
<tr>
<td>1.10 Mental Health Services*</td>
</tr>
<tr>
<td>1.11 Substance Use Services*</td>
</tr>
<tr>
<td>1.12 Other Public Health Services</td>
</tr>
</tbody>
</table>

2: Negative Economic Impacts

| 2.1 Household Assistance: Food Programs* |
| 2.2 Household Assistance: Rent, Mortgage, and Utility Aid* |
| 2.3 Household Assistance: Cash Transfers* |
| 2.4 Household Assistance: Internet Access Programs* |
| 2.5 Household Assistance: Eviction Prevention* |
| 2.6 Unemployment Benefits or Cash Assistance to Unemployed Workers* |
| 2.7 Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* |
| 2.8 Contributions to UI Trust Funds |
| 2.9 Small Business Economic Assistance (General)* |
| 2.10 Aid to Nonprofit Organizations* |
| 2.11 Aid to Tourism, Travel, or Hospitality |
| 2.12 Aid to Other Impacted Industries |
| 2.13 Other Economic Support* |
| 2.14 Rehiring Public Sector Staff |

3: Services to Disproportionately Impacted Communities

| 3.1 Education Assistance: Early Learning* |
| 3.2 Education Assistance: Aid to High-Poverty Districts* |
| 3.3 Education Assistance: Academic Services* |
| 3.4 Education Assistance: Social, Emotional, and Mental Health Services* |
| 3.5 Education Assistance: Other* |
Reporting Requirements

Project and Expenditure Reports – Expenditures

Contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient equal to or over $50,000 will require the following to be reported:

- Subrecipient identifying and demographic information (e.g., DUNS number and location)
- Award number (e.g., Award number, Contract number, Loan number)
- Award date, type, amount, and description
- Award payment method (reimbursable or lump sum payment(s))
- For loans, expiration date (date when loan expected to be paid in full)
- Primary place of performance
- Related project name(s)
- Related project identification number(s) (created by the recipient)
- Period of performance start date
- Period of performance end date
- Quarterly obligation amount
- Quarterly expenditure amount
- Project(s)
- Additional programmatic performance indicators for select Expenditure Categories
Contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient under $50,000 will be reported by the expenditure category at the project level.
Project and Expenditure Reports – Required Programmatic Data (other than infrastructure projects)

Programmatic data required for specific Expenditure Categories (other than infrastructure projects):

Examples-

1. Payroll for Public Health and Safety Employees (EC 1.9):
   - Number of government FTEs responding to COVID-19 supported under this authority

2. Household Assistance (EC 2.1-2.5):
   - Brief description of structure and objectives of assistance program(s) (e.g., nutrition assistance for low-income households)
   - Number of individuals served (by program if recipient establishes multiple separate household assistance programs)
   - Brief description of recipient’s approach to ensuring that aid to households responds to a negative economic impact of COVID-19, as described in the Interim Final Rule
Project and Expenditure Reports – Required Programmatic Data (other than infrastructure projects – continued)

Other Expenditure Categories where programmatic data is required:

3. Small Business Economic Assistance (EC 2.9)
4. Aid to Travel, Tourism, and Hospitality or Other Impacted Industries (EC 2.11-2.12)
5. Rehiring Public Sector Staff (EC 2.14)
6. Education Assistance (EC 3.1-3.5)
7. Premium Pay (both Public Sector EC 4.1 and Private Sector EC 4.2)
8. Revenue replacement (EC 6.1)

Project and Expenditure Reports – Required Programmatic Data for Infrastructure Projects:

1. All Infrastructure Projects (EC 5)
2. Water and Sewer Projects (EC 5.1-5.15)
3. Broadband Projects (EC 5.16-5.17)
Recovery Plan Performance Report

Referred to as the “Recovery Plan” and must be posted on the public-facing website of the recipient on the same date submitted to the Treasury

First report due August 31, 2021 (award thru July 31, 2021) then annually on July 31 with the final on March 31, 2027.

Refer to the Compliance and Reporting guidance starting on page 23 for the required sections and required performance indicators and programmatic data.
Allowable Uses of Funds
Cover costs incurred by December 31, 2024 -

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality;
- To provide premium pay to essential employees or grants to employers to provide premium pay (premium pay cannot exceed $13 per hour or $25,000 per worker and cannot exceed certain local averages, unless specifically justified);
- To provide government services affected by a revenue reduction due to the public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- Make necessary investments in water, sewer, or broadband infrastructure.
**Allowable Uses of Funds**

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<th>Responding to the public health emergency or its negative economic impacts:</th>
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<td>2) Public Health and Safety Staff</td>
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<td>3) Hiring State and Local Government Staff</td>
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<td>4) Assistance to Unemployed Workers</td>
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<td>5) Contributions to State Unemployment Insurance Trust Funds</td>
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<td>8) Assistance to Households</td>
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<td>9) Aid to Impacted Industries</td>
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<td>10) Expenses to Improve Efficacy of Public Health or Economic Relief Programs</td>
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<tr>
<td>11) Survivor's Benefits</td>
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<td>12) Disproportionately Impacted Populations and Communities</td>
</tr>
</tbody>
</table>
Determination of Whether a Program or Service is Ineligible as Public Health/Economic Impact

• First, determine “whether and how the use would respond to the COVID-19 public health emergency.”

• Second, conduct an analysis of the program or service for the following two criteria:
  1) Identify a need or negative impact of the COVID-19 public health emergency.
  2) Identify how the program, service, or other intervention addresses the identified need or impact.

• If you are unable to complete the analysis, then the program or service is not eligible under this category.
Allowable Uses of Funds

Providing Premium Pay to Eligible Workers

- Eligible essential workers are defined as those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or regular physical handling of items that were handled by others
- Up to additional $13/hour not to exceed $25,000
- If increases > 150% of state or county average annual wage, specific justification to the Treasury Secretary

Grants to third-party employers to provide premium pay will require additional reporting.
Government Services/Revenue Loss – General Revenue Definition

Interim rule establishes a definition of “general revenue” for calculating a loss in revenue and provides a methodology for calculating revenue lost due to COVID-19.

The term “general revenue:”

1) Includes revenue collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services. In calculating revenue, recipients should sum across all revenue streams covered as general revenue.

2) Is consistent with Census Bureau’s definition of “general revenue from own sources,” the definition in the rule excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions.

3) Excludes revenue generated from utilities and insurance trusts; focus is on sources generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.

4) Includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the federal government, including a transfer of CRF or Recovery Funds.
Appendix: Interim Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue

Revenue is Net of Refunds and Other Correcting Transactions, and Excludes:
- Intergovernmental transfers
- Proceeds from issuance of debt
- Proceeds from the sale of investments
- Proceeds from agency or private trust transactions

Revenue

- General Revenue
- Liquor Store Revenue
- Utility Revenue
- Social Insurance Trust Revenue
- Tribal Enterprise Revenue

Tribal Enterprise Revenue

*While Tribal Enterprise Revenue is not within the scope of the Census Bureau’s Annual Survey of State and Local Government Finances, Tribal governments may include enterprise revenue in calculating revenue less under the Interim Final Rule.

Examples, Revenues From:
- Public Employee Retirement Systems
- Unemployment Compensation Systems
- Workers’ Compensation Systems
- Other State or Local Social Insurance Programs

Examples, Revenues From:
- Dividends or Interest Earnings
- Donations from Private Sources
- Fines and Forfeits
- Lottery
- Rents
- Rents
- Sale of Property
- Special Assessments

Examples, Revenues From:
- Airports
- Education Institutions (K-12 or Higher Ed)
- Highways or Tolls
- Public Hospitals
- Public Housing
- Natural Resources
- Parking Facilities
- Parks and Recreation
- Ports
- Sewer or Solid Waste Systems

Examples, Revenues From:
- Alcoholic Beverage License or Sales Taxes
- Amusements License or Sales Taxes
- Corporate Income Taxes
- Death and Gift Taxes
- Documentary and Stock Transfer Taxes
- General Sales and Gross Receipts Taxes
- Individual Income Taxes
- Insurance Premiums Sales Taxes
- Hunting and Fishing License Taxes
- Motor Fuel Sales Taxes
- Motor Vehicle License Taxes
- Motor Vehicle Operations License Taxes
- Occupation and Business License Taxes
- Port-maintained Sales Taxes
- Property Taxes
- Public Utility License or Sales Taxes
- Severance Taxes
- Tobacco Products Sales Taxes

Legend:
- Included in the Interim Final Rule Definition of General Revenue
- Excluded from the Interim Final Rule Definition of General Revenue

Source: U.S. Bureau of the Census Government Finance and Employment Classification Manual, 2006; Annual Survey of State and Local Government Finances

AS OF JUNE 23, 2021
Government Services/Revenue Loss – Calculation

Four step process (see the Interim Final Rule for details and an example):

1) Identify “general revenue” in the most recent full fiscal year prior to the pandemic (January 27, 2020). This will be your base year revenue.

2) Estimate what your revenue should have been absent the pandemic; this is called your counterfactual revenue. This can be estimated using the following calculation:

\[
\text{counterfactual revenue} = \text{base year revenue} \times [(1+\text{growth adjustment})^{(n/12)}]
\]

   • \( n = \text{the number of months elapsed since the end of the base year to the calculation date}\)
   • \( \text{growth adjustment} = \text{the greater of 4.1 percent and average annual revenue growth in three full fiscal years prior to the pandemic}\)

3) Identify actual revenue which equals revenue collected over the past twelve months as of the calculation date.

4) Reduction in revenue is equal to counterfactual revenue less actual revenue.
Revenue Loss Calculation

Recipients should calculate revenue on an entity-wide basis.

Recipients are not required to obtain audited data. Treasury warns data must be complete and accurate - cites 31 CFR 35.4(c) (False Claims Act).

Recipients should use their own data sources to calculate general revenue and do not need to rely on published revenue data from the Census Bureau.

Calculation may be performed using cash, accrual, or modified accrual basis as long as recipient is consistent for covered period through reporting requirements.
Government Services/Revenue Loss

Recipients are permitted to calculate the extent of the reduction in revenue as of four points in time:

December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023

Revenue loss amounts claimed with funds must be applied to general government services up to the amount of revenue loss calculated. General government services are not eligible beyond this amount unless they meet other Recovery Fund eligibility criteria.

Unallowable use of funds still applies to government services expenditures.
Allowable Uses of Funds

Water, Sewer, or Broadband Infrastructure

- General infrastructure projects are not allowable unless funded as a government service with revenue reduction amounts or it responds to a specific pandemic-related public health need or a specific negative economic impact.

- Remember the performance period allows for completion of projects through December 31, 2026, however the obligation must occur by December 31, 2024.

Water and Sewer Infrastructure

- National Environmental Policy Act (NEPA) does not apply to this funding.

- Eligible projects are defined by what is eligible under the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund.

  https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook

  https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf#eligibilities
Broadband Infrastructure

- Projects must **reliably deliver** minimum speeds of 100 Mbps download and 100 Mbps upload

- Projects must be **designed to serve unserved or underserved households and businesses**
  - Defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

- See FAQ # 6.5 to 6.11 for more details
For general information and support with NEU registration, contact the Ohio Grants Partnership at grants@obm.ohio.gov

For authoritative guidance, contact the U.S. Treasury at SLFRP@treasury.gov
Questions?
UPCOMING WEBINARS

The Office of Budget and Management (OBM) will be continuing our series of webinars for local governments on July 29 at 1:30 p.m. This webinar will provide updates to the State and Local Fiscal Recovery Funds to include a focus on compliance areas such as procurement.

Register at https://cutt.ly/wn5mWC0